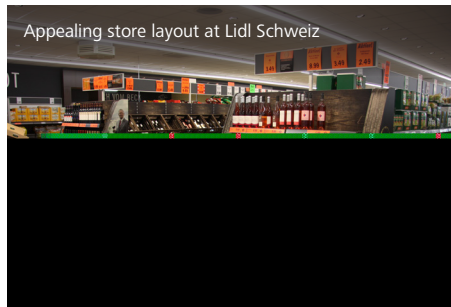


Becoming Switzerland's first climate neutral retailer



Appealing store layout at Lidl Schweiz

The Brief

Who is the client?

Lidl Schweiz is Switzerland's smart discounter. Quality, freshness and Swissness are key characteristics of the discounter's assortment and efficiency is highly valued in the Lidl universe. This guarantees the best price-performance ratio and provides the basis for sustainability in practice – everyone can benefit from it. Lidl Schweiz operates two distribution centers, one of them in Weinfelden (TG), the other in Sévaz (FR). These provide the logistical backbone for more than 100 stores throughout Switzerland. Over the next few years, the company will add more stores to its network. At present, Lidl Schweiz employs around 3,000 employees and new ones are added almost daily.

What is the context?

In addition to reducing emissions by 2020, Lidl Schweiz' sustainability goal was to become the first CO₂ neutral retailer in Switzerland by 2016. In this context, Lidl Schweiz has recently implemented a comprehensive CO₂ management plan that aims, among others, for a reduction of 20% CO₂ per m² store area by 2020. Lidl Schweiz will be the first major retailer in Switzerland to compensate for its entire operational CO₂ footprint. At the outset, Lidl Schweiz was unaware of its environmental footprint. It wanted to reach an understanding of the greenhouse gas emissions caused by its operations and identify suitable CO₂ emission reduction projects.

What was the challenge?

An important step for the implementation of Lidl's strategy was the establishment of a comprehensive management plan of their CO₂ footprint. In order to secure the incentive to reduce CO₂ emissions, Lidl Switzerland is introducing an internal CO₂ pricing system, putting a price on CO₂ emissions. This price is to be later integrated into the investment cost accounting of Lidl Switzerland - catalysing, in short, the economic incentive to invest in emission reductions.

As part of the strategy, the company wanted to reduce its carbon footprint. The reduction target of 20% will be achieved mainly by investing in real estate: existing stores are retrofitted respectively with LED lighting, electric heat pumps and cooling systems can be used with heat recovery. Lidl Schweiz sets aside 5-10 million Swiss Francs (4-9 million EUR) alone for refurbishing the existing properties, and documents its emissions as part of its rigorous CO₂ management plan.

While the company was ambitious in terms of what it wanted to achieve, it needed to get up to speed on the possibilities and options of putting together a fitting selection of carbon offset projects. Lidl Schweiz needed to find the right portfolio

mix that suited its business and that was ideally placed to compensate for its CO₂ footprint, while also guaranteeing positive impacts to communities, the environment and the local economy.

How did Lidl Schweiz proceed?

The company began its journey by developing a brief and by scanning the market for suitable partners for its endeavour to become the first CO₂ neutral retailer in Switzerland. The small, compact Swiss market allowed Lidl Schweiz to quickly gain an overview of the possible partners. Lidl Schweiz approached different companies and invited them to submit offers.

In the end, they selected the consortium of South Pole Group and Swiss Climate. This constellation was best placed to suit the partner requirements of Lidl Schweiz.

"We have essentially made the management of our emissions an integral part of our overall corporate strategy."

Georg Kroll

Executive Chairman Lidl Switzerland

Lidl Schweiz operates with over 100 stores across the whole country



What solution did Lidl Schweiz choose?

Lidl Schweiz chose a carbon offset portfolio that helped compensate the operational CO₂ emissions and become the first CO₂ neutral retailer in Switzerland. When compiling this portfolio, Lidl Schweiz paid great attention to not only ensure reliable compensation of its CO₂ footprint in line with its business needs.

In addition to that, the company pursued a rigorous approach of only choosing projects with compelling and proven co-benefits that provide a perfect match to Lidl Schweiz' corporate values and brand image. This guaranteed the perfect foundation for effective storytelling around its ambitious commitment. The chosen portfolio of projects included, for example, Swiss biogas plants, the promotion of energy-efficient cookstoves in India and a REDD+ community forest project in Zimbabwe.

What convinced Lidl Schweiz to work with South Pole Group?

Lidl Schweiz' decision to opt for a partnership with South Pole Group and Swiss Climate gave them access to companies with a strong position in Switzerland and a great international reputation. As Lidl Schweiz is looking to develop long-term solutions, this combination of powerful partners provided the ideal base for its innovative mission and approach.

The communication benefits of working with a well-known partner such as South Pole Group are manifold, with the company's reputation supporting the trustworthiness and credibility of Lidl Schweiz' initiative.



Satisfaction and benefits

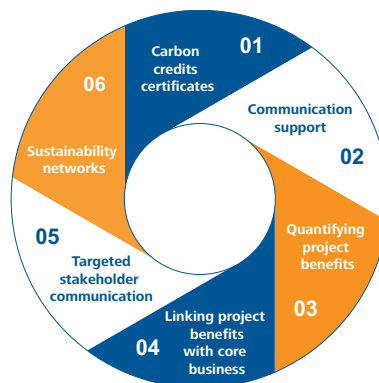
Lidl Schweiz is very satisfied working with South Pole Group: The high-quality carbon offset portfolio helped the company to compensate its operational CO₂ emissions and provided the retailer with the tailored solution it was looking for.

"South Pole Group quickly identified a suitable portfolio, tailored to our needs and therefore helped solving the problem in a fast and uncomplicated manner. Furthermore, South Pole Group is a great, well-connected, experienced and reliable partner that provides great tailor made solutions."

Nico Frey

Head of Sustainability Lidl Schweiz

Comprehensive carbon offsetting services



Why work with us

Global team

We are a truly global provider of sustainability solutions and services. Our team is made up of over 130 skilled and enthusiastic professionals from over 20 different countries, based in offices spanning 6 continents.

Proven impact

Since 2006, we have measured the climate impact of countless companies and products worldwide. We have screened USD 200 bn+ of investments for their climate impact and we have developed 400 projects in renewables, forestry, agriculture, industry and households. Through our efforts, 50 million tonnes of CO₂ have been saved, almost as much as the annual CO₂ emissions of the country of Portugal. We have enabled the production of 35,000 GWh of renewable energy (more than the annual electricity consumption of the country of Denmark), and mobilised over USD 6 bn for clean energy investments in emerging markets. In total, our projects have helped create almost 20,000 jobs in developing countries; this roughly corresponds to the number of employees of the British Broadcasting Corporation (BBC). We have also saved 55,000 hectares of forest from deforestation, about the size of 77,000 soccer pitches.

Added value

We help you grow with groundbreaking solutions that benefit your business, the environment and society.